GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1048
ANSWERED ON:24.11.2000
TASK FORCE TO REVIEW CASES OF DEFAULTS IN GOLD AND DIAMOND DEALS
PUSHPDAN SHAMBHUDAN GADHAVI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have constituted task force to review the cases of default and evaluate the progress made in recovering the default under various schemes dealing with gold, diamonds etc;

(b) if so, the details thereof;

(c) whether the task force has submitted its report;

(d) if so, the details of observations/suggestions made by the task force in its report; and

(e) the further action proposed to be taken by the Government against the defaulters and also to recover the defaults?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH)

(a) to (c): The Government of India, Department of Commercevide Office Memorandum no. 12/23/97-EP (G&J) dated 7th July 2000 has constituted a Three Member Task force consisting of a representative each from Department of Commerce and Department of Revenue and Chief Vigilance Officer, MMTC Ltd. to, interalia, examine whether MMTC has put in place a foolproof system to ensure prevention of recurrence of defaults in payments for the gold supplied by them to the exporters and others, and also whether all necessary steps have been taken by MMTC to recover their outstanding dues.The Task Force has also to examine and report if a proper review system has been put in place by MMTC for the effective follow up of all the recovery cases and also whether the departmental enquiry has been initiated against all the delinquents. The Task Force has not yet submitted its report.

(d): Does not arise.

(e) MMTChas already initiated arbitration proceedings and legal action for recovery of their outstanding dues in all cases and have also referred the default cases to various enforcement and investigating agencies like the Central Bureau of Investigation, Directorate of Revenue Intelligence, Directorate of Enforcement and Director General of Foreign Trade, for taking necessary action against the defaulters. The action taken by MMTC for the recovery of their outstanding dues is being reviewed by the Government from time to time.